



Reprinted
February 4, 2002

SENATE BILL No. 168

DIGEST OF SB 168 (Updated February 1, 2002 11:56 AM - DI 104)

Citations Affected: IC 27-7.

Synopsis: Title searches. Requires a title insurance company to perform or cause to be performed a title search of real estate for a mortgage secured by the real estate unless the mortgage: (1) is not more than \$50,000; (2) is subordinate to a prior mortgage where a title search was conducted; and (3) is not a reverse mortgage. Requires a company who does not perform a title search under this exception to first inform the person obtaining the mortgage of the person's liability under the title insurance policy.

Effective: July 1, 2002.

Paul

January 7, 2002, read first time and referred to Committee on Insurance and Financial Institutions.

January 28, 2002, reported favorably — Do Pass.

February 1, 2002, read second time, amended, ordered engrossed.

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SB 168—LS 6652/DI 104+



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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 168

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-3-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2002]: Sec. 2. As used in this chapter and
3 unless a different meaning appears from the context:

4 (a) The term "title insurance" means a contract of insurance against
5 loss or damage on account of encumbrances upon or defects in the title
6 to real estate.

7 (b) The term "company" shall mean and include any corporation,
8 domestic or foreign, to which this chapter is applicable.

9 (c) The term "department" shall mean the department of insurance
10 of the state of Indiana.

11 (d) The term "commissioner" shall mean the insurance
12 commissioner.

13 (e) The term "public record" has the meaning set forth in
14 IC 5-14-3-2.

15 (f) The term "title search" means a search and examination of
16 the public records sufficient to determine:

17 (1) ownership of;

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1 (2) encumbrances on;
2 (3) liens on; and
3 (4) defects in the title to;
4 the real estate that is the subject of the search.

5 SECTION 2. IC 27-7-3-21 IS ADDED TO THE INDIANA CODE
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2002]: Sec. 21. (a) A company described in section 3 of this
8 chapter that issues a title insurance policy shall perform or cause
9 to be performed a title search for the real estate in conjunction
10 with a mortgage secured by the real estate unless the mortgage
11 meets all of the following requirements:

12 (1) The principal amount of the mortgage is not more than
13 fifty thousand dollars (\$50,000).

14 (2) The mortgage is subordinate to a prior mortgage where
15 a title search was conducted and a title policy was issued.

16 (3) The mortgage is not a reverse mortgage.

17 (b) Before a company may issue a title insurance policy without
18 performing or causing to be performed a title search under
19 subsection (a), the company shall provide the person obtaining the
20 mortgage with information concerning the person's liability under
21 the title insurance policy.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 168, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 168 as introduced.)

PAUL, Chairperson

Committee Vote: Yeas 8, Nays 2.

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SENATE MOTION

Mr. President: I move that Senate Bill 168 be amended to read as follows:

Page 2, line 7, after "Sec. 21." insert **"(a)"**.

Page 2, line 8, after "perform" insert **"or cause to be performed"**.

Page 2, line 9, delete "the issuance of the policy" and insert **"a mortgage secured by the real estate unless the mortgage meets all of the following requirements:**

(1) The principal amount of the mortgage is not more than fifty thousand dollars (\$50,000).

(2) The mortgage is subordinate to a prior mortgage where a title search was conducted and a title policy was issued.

(3) The mortgage is not a reverse mortgage.

(b) Before a company may issue a title insurance policy without performing or causing to be performed a title search under subsection (a), the company shall provide the person obtaining the mortgage with information concerning the person's liability under the title insurance policy."

(Reference is to SB 168 as printed January 29, 2002.)

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